

IRS**News Release****Media Relations Office****Washington, D.C.****Tel. 202.622.4000****For Release: 3/01/01****Release No: IR-2001-29****MORE TAXPAYERS E-FILE FEDERAL AND STATE RETURNS TOGETHER**

WASHINGTON – With the addition of Hawaii and Vermont to the roster of states offering computer filing for state returns, taxpayers in all states with a state income tax can now file their federal and state returns in one electronic transmission. More than eight million taxpayers have already done so, an increase of 20 percent over this time last year.

“E-filing taxpayers get the same benefits for their state tax returns that they enjoy for their federal returns -- greater accuracy, faster refunds and an acknowledgment of filing,” said Terry Lutes, IRS Director for Electronic Tax Administration. “Taxpayers are continuing their strong and positive response to the electronic tax options offered by the IRS and the state tax agencies.”

Federal/state e-filers usually send both returns through a transmitter to the Internal Revenue Service, which then forwards the state return information to the state tax agencies for their processing. In four states -- California, Maine, Massachusetts and Minnesota -- the transmitters electronically route the federal and state data directly to the respective agencies.

Taxpayers can e-file their federal/state combination either through tax professionals or from their home computers. Many of the volunteer sites under the IRS-sponsored Volunteer Income Tax Assistance or Tax Counseling for the Elderly programs offer free e-filing for those who come to them. Taxpayers can locate volunteer sites in their communities by calling the IRS at 1-800-829-1040.

Four states – Georgia, Indiana, Kentucky and Oklahoma -- are partnering with the IRS to offer their taxpayers a federal/state telephone filing option. This joint system is for taxpayers who qualify for the simplest tax return and who received TeleFile packages from both the IRS and the state tax agency. More than 148,000 taxpayers have filed their federal and state returns with a single call to the IRS TeleFile number this year.

As of Feb. 23, the IRS had received 22.6 million e-filed returns, 58 percent of all returns received. The IRS has processed \$53.4 billion in refunds for 27.7 million taxpayers. At \$1,927, the average refund is five percent higher than this time last year.

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2001 FILING SEASON STATISTICS

Cumulative through the week ending 2/25/00 and 2/23/01

	<u>2000</u>	<u>2001</u>	<u>% Change</u>
Individual Income Tax Returns			
Total Receipts	39,460,000	38,710,000	- 1.9
Total Processed	30,769,000	30,189,000	- 1.9
E-filing Receipts:			
TOTAL	21,157,000	22,631,000	7.0
TeleFile (phone)	3,471,000	2,882,000	-17.0
Computer	17,686,000	19,749,000	11.7
Tax Professionals	15,512,000	16,787,000	8.2
Self-prepared	2,174,000	2,962,000	36.2
Refunds Certified by the Martinsburg Computing Center:			
Number	28,397,000	27,684,000	- 2.5
Amount of principal	\$52.095 billion	\$53.352 billion	2.4
Average refund	\$1834	\$1927	5.1
Direct Deposit Refunds:			
Number	16,403,000	17,997,000	9.7
Amount	\$36.674 billion	\$40.830 billion	11.3
Average	\$2236	\$2269	1.5